



The Real Estate ANALYST

JANUARY 25
1939

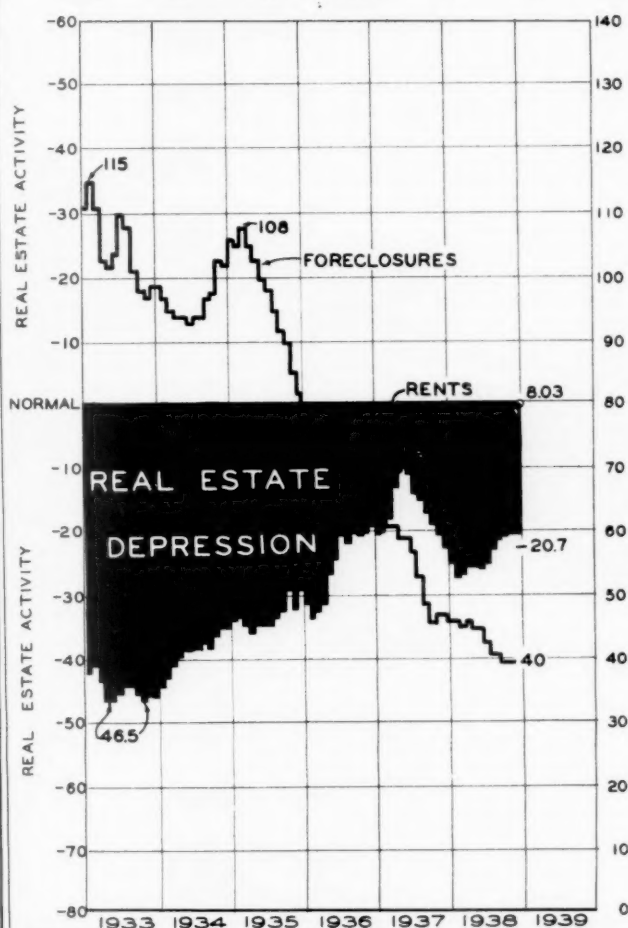
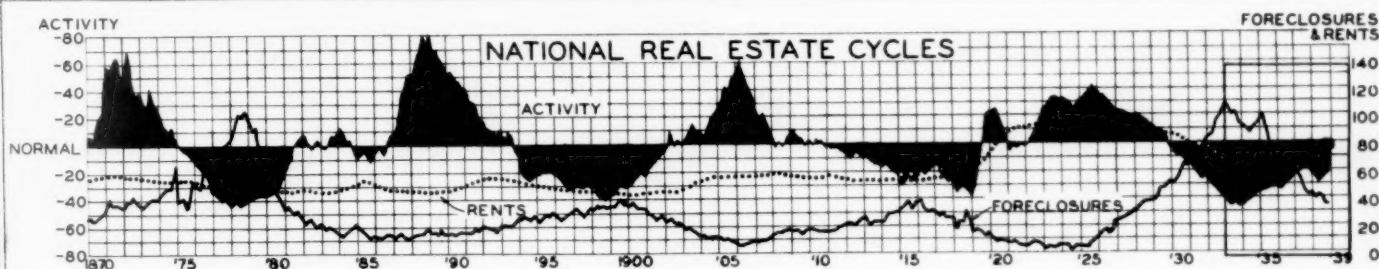
Roy Wenzlick
Editor

A concise easily digested periodic analysis based upon scientific research in real estate fundamentals and trends...Constantly measuring and reporting the basic economic factors responsible for changes in trends and values....Current Studies....Surveys....Forecasts

Copyright 1939 by REAL ESTATE ANALYSTS, Inc. - Saint Louis

VOLUME VIII

REAL ESTATE ECONOMISTS, APPRAISERS AND COUNSELORS



EXPLANATION OF THE CHARTS

The charts above show booms and depressions in real estate from 1870 to the present. The large black areas above the line represent the real estate booms and the black areas below the line represent the real estate depressions.

The level of residential rents, indicated by the dotted red line, is charted, not as a percentage above or below a normal line, but as an index (1926=100) from the bottom of the chart and is read on the right hand scale, as is the index of the number of foreclosures per month per 100,000 families, shown by the solid red line. The lower chart is the last six years of the upper chart enlarged to show monthly fluctuations.

APPARENTLY the rate of recovery current during the last part of 1938 has slowed up slightly during the early part of January. We would not be surprised to see business go sideways for several months before the rise is resumed. A sideways movement, however, will be accompanied by real estate improvement.

During December real estate activity remained stationary at a point 20.7% below normal. This is considerably better than December of a year ago. Residential rents, as based on our average of 26 principal cities of the United States, showed a sizable increase, advancing from an index of 78.9 to 80.3. The foreclosure rate held constant with a month ago, but considerably under a year ago. Mortgage volume showed a slight drop during the month.

Construction reached a new peak in December, the highest point reached since 1928. Building material prices remained at the same level of a month ago, but are considerably below a year ago. Building costs of small homes continued the decline started in October 1937. Bonds of office buildings and hotels maintained the increases made during 1938, and are substantially above the figures of a year ago.

FORECASTS FOR 1939

EACH January, before writing a forecast for the year, we review very carefully our forecasts for the year which has just closed. A comparison of the charted picture of 1938 and our forecasts shows that we were correct in our forecasts of general business, prices, real estate sales, foreclosures, residential rents, commercial rents, building costs, and the volume of industrial and commercial building. We underestimated residential building, but in April we corrected our forecast upward, although one subscriber wrote in as a result and said that our reports were valueless to him because of our unwarranted optimism.

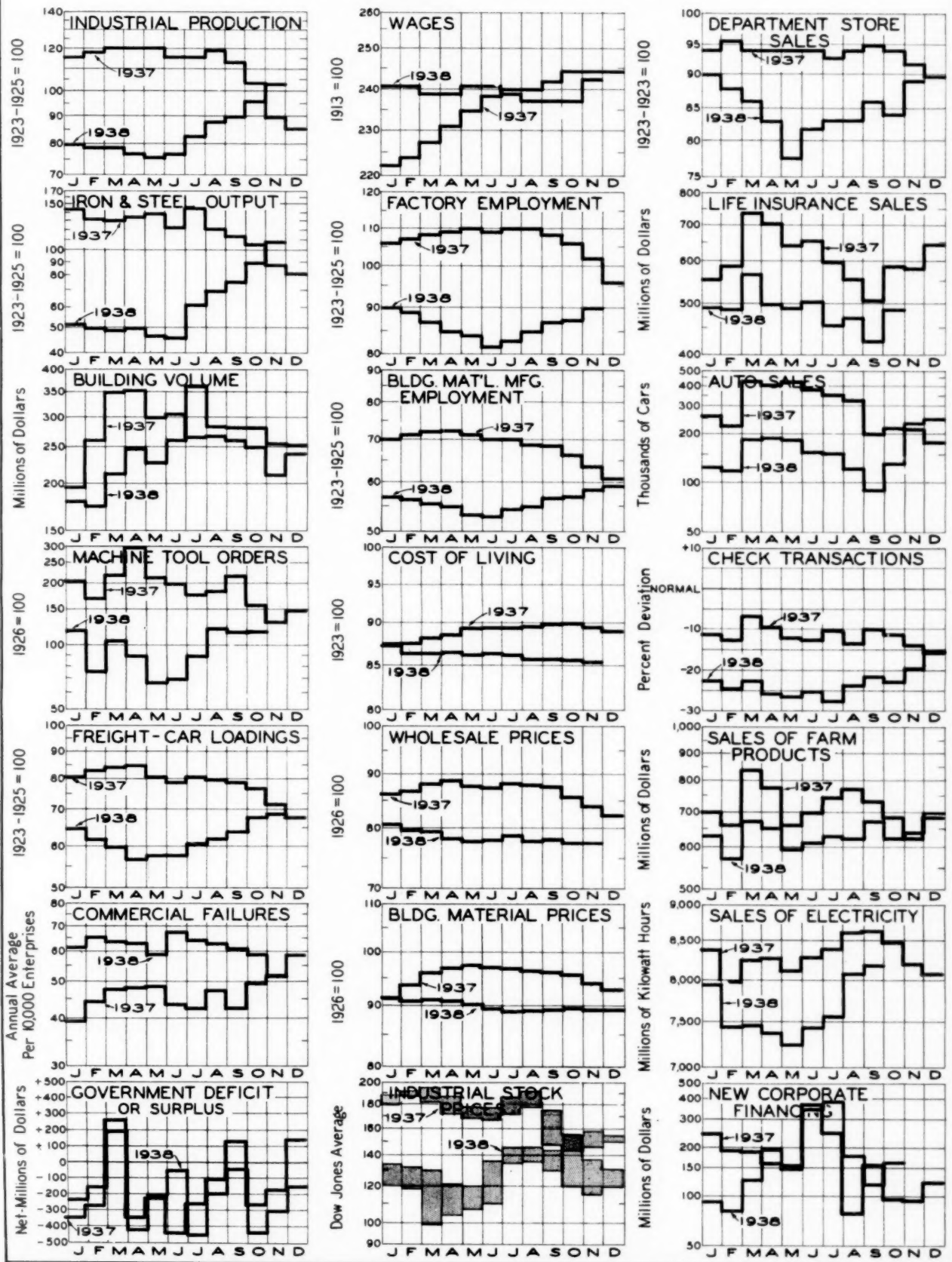
GENERAL BUSINESS We enter 1939 with many conflicting elements affecting the business outlook. Most of these elements are not new, but some are taking on an accumulated importance. The new factor which we think quite important from the longer swing viewpoint, is the acceptance by the President in his budget message of the present rate of expenditure as normal, to be balanced only by increased national income. We are not at all impressed by his statement that the total debt in the United States at the present time, public and private, is slightly lower than it was in 1929. We are under the impression that the size of the debt then was one of the reasons for the economic collapse. We also think that real recovery will require putting private capital to work. It can only be put to work by being loaned, which means that as recovery comes private debt must be increased much further. There may be some question as to how much private debt can be piled on top of the present tremendous public total.

From the short range viewpoint this attitude of the President is reassuring as it means that the inevitable readjustment is being postponed probably until after the election of 1940. We think that the eventual readjustment may involve future progressive devaluations of the dollar similar to the devaluations of the franc in France. It should be borne in mind that inflation is not always stimulating. The progressive revaluations in France have each been made as a last resort to avert collapse. That country has undergone a very considerable degree of inflation without any perceptible degree of prosperity.

The second disturbing element is the continued dropping of the international price level measured in gold. As measured by the General Motors Cornell index this last month, the World Price Level touched the lowest spot in the last twenty-nine years. This, in our opinion, is due largely to the fact that the "cornering" of a constantly increased percentage of the world's gold stock by the United States has forced the relative value of gold in relationship to commodities to a constantly higher level. If this continues, it will place the United States in a further dilemma. If we revalue the dollar downward, more gold will continue to flow in our direction. If we hold the dollar at its present value, we will face greater competition at lower prices in world markets.

The third element of uncertainty is the possibility of a major war in Europe. While no one can predict with certainty, it is our opinion that nothing is likely to occur during this next twelve months about

BUSINESS IMPROVED IN THE LAST HALF OF 1938



which major European nations will be willing to fight. There will be international tensions but we think that they will stop short of war. Even should a major war develop, the United States would not become involved immediately. The last World War started in August 1914, but we did not enter until April 1917, two years and eight months later. In the meantime, after a shock of a few months, general business was above average in the United States. During this entire period real estate was below average, but this would have been the case even though there had been no war, as real estate was undergoing the normal readjustment after the boom of the early nineteen hundreds. Should a European war develop this year, it would catch the basic real estate cycle on the upswing; and if general business underwent the later stimulation which a European war should bring, real estate would be in relatively good shape.

The fourth element of a disturbing nature is the breakdown of crop control. The dissatisfaction of the farmers was clearly evidenced in the last election, as every one of the major farm states returned a majority of votes against the New Deal. It has been proven impossible to maintain prices above their natural level without producing surpluses. On the other hand, to discontinue immediately the payments of more than a half billion dollars a year to farmers would deepen the economic distress now prevailing. We will probably patch up the non-essential errors in the crop control efforts and stumble on for another year or two in which the basic problem becomes more acute.

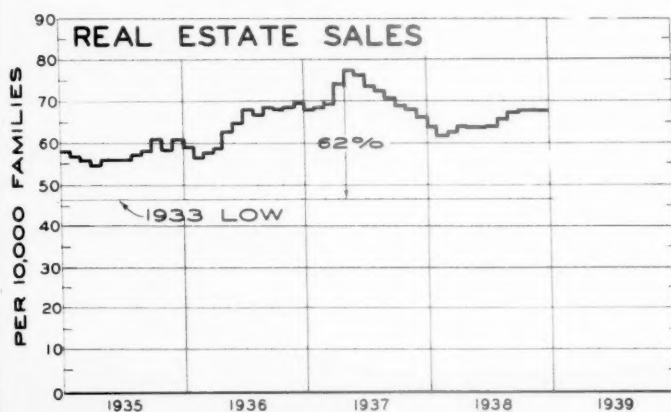
The fifth element of difficulty is the lack of confidence of business men and investors in the future. This is probably not a basic difficulty, as it is a result of the preceding causes.

Against these obstacles we can place the following positive factors:

First, excess inventories of a year and a half ago have been fairly well liquidated.

Second, almost all of the indexes of general business have been gaining in comparison with a year ago. (See charts on page 9).

Third, the strength of the recovery movement was apparent in September when, in spite of the imminence of a major European war, the indexes of recovery continued to gain ground.



Fourth, the relative strength of the construction industry, which in December reached a ten year peak and which from all indications should make further gains this year, will furnish a real stimulant to general recovery.

On the basis of the foregoing, it is our opinion that general business, after a temporary lull, will advance again with the possibility of an interruption toward the close of the year, due to a disparity which may develop by that time in costs. We would estimate general business for 1939 at about 10% above 1938. We believe that another reaction more or less severe will be necessary to bring about a revision of unwise policies. It seems to us that this reaction will not occur during 1939.

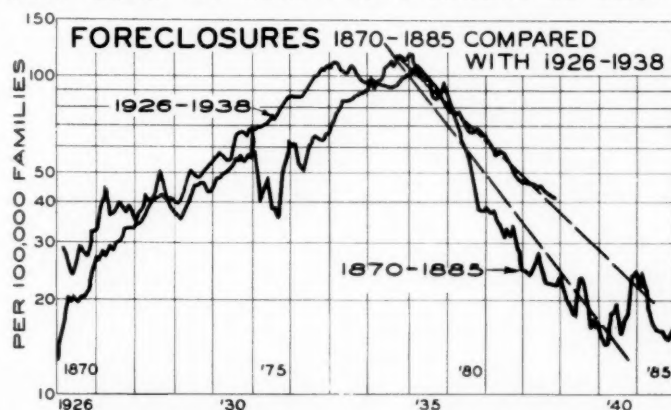
REAL ESTATE SALES Real estate sales of urban properties increased slowly during most of last year after dropping for the last seven months of 1937. We believe that the chart shown on page 10, will show at the end of 1939 a slightly accelerated upward trend carrying sales to a point some higher than the peak of 1937. This will represent national increase of about 20% for the year. This percentage will vary greatly in different sections of the country, and on different types of property as outlined below.

IMPROVED LOTS The increased volume in low-priced residential units will increase materially the sale of improved lots which can be used as building sites for low-priced homes. Building lots which are restricted to higher-priced buildings will move better than they did in 1938, but they will still lag considerably. Lots which are restricted to apartment use should also show some improvement over 1938, but no real activity during 1939 is expected in this field with the exception of a few areas around New York City where most of the building is necessarily in the apartment field.

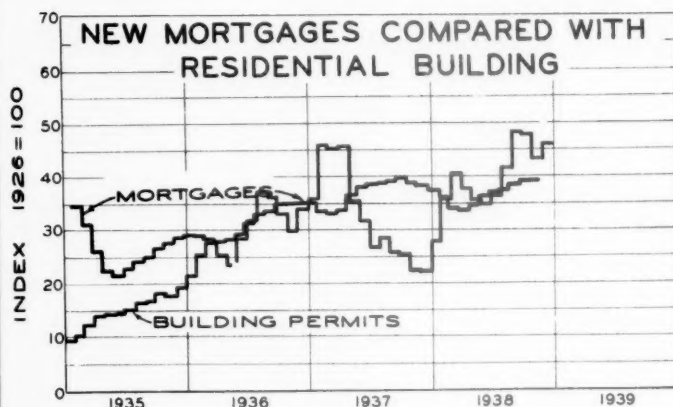
NEW SINGLE FAMILY RESIDENCES We believe that new single family residences will be sold much more rapidly during 1939 than they were during the last half of 1938. Higher-priced residences, however, although they will sell better than they did last year will still drag materially.

BUSINESS PROPERTIES There will be a slight increase in the sale of business properties in 1939 in comparison with 1938, but the volume of sales of this type will still be negligible.

LARGE APARTMENT PROPERTIES Shrewd investors will continue to accumulate well selected apartment properties for the long pull. We think that sales in this field should be some better than they were in 1938.



INDUSTRIAL PROPERTIES Properties of this type are not standard commodities, and it is quite difficult to think in averages. Industrial expansion correlates quite closely with industrial earnings, and as 1939 is expected to provide greater industrial earnings than 1938, there should be some industrial expansion, particularly later in the year.



URBAN FORECLOSURES The chart at the bottom of page 11 shows the foreclosure rate per 100,000 families in urban communities for the period from 1926 to the present in comparison with the period from 1870 to 1885. It will be noticed that foreclosures dropped more rapidly after the big depression of the seventies than they have after this last depression. From the beginning of

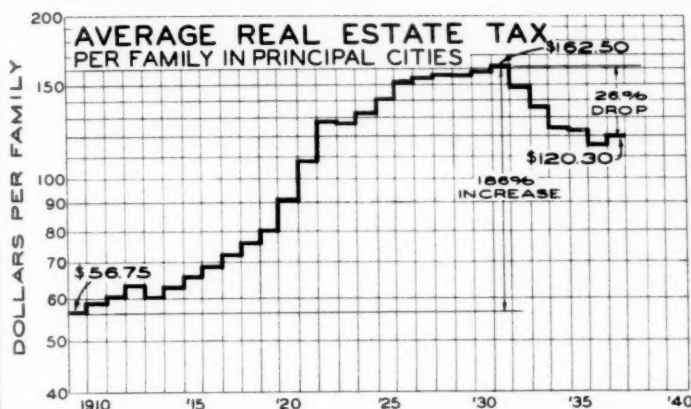
1935, foreclosures have been dropping at the rate of approximately 25% a year. It seems to us that they should continue to drop at least at this rate during 1939.

URBAN MORTGAGES During 1939 the number and dollar value of mortgages will increase by, we think, more than ten percent over the high of the late summer of 1937. Mortgages show a tendency to follow building permits about three months later. The increases we have already gotten in building permits in the last part of 1938 should account for a part of this rise in the spring of 1939 in mortgages (See chart at the top of this page). Mortgage money will continue to be very plentiful during 1939 as all lending institutions have more money at the present time than they can lend at profitable rates of interest.

INTEREST RATES There will be no rapid rises in interest rates during 1939. In most cities interest rates will remain constant. Interest rates on purchase money mortgages taken back by large banks should show a slight improvement during 1939. Due to the FHA financing, interest rates throughout the United States are more nearly standard than they have been at any time in the past.

RESIDENTIAL RENTS Residential rents have gained very little on the average throughout the United States since the fall of 1937. The index based on 29 cities shown on page 16 in this report shows no change over this period. Actually, this means that rents continued to rise during the early part of 1938 in comparison with other commodities and services, because during this period prices were dropping. We think that price drops are over for the present, and that the movement will now be sideways and up. If this is true, residential rents should continue up in relation to commodity prices, which means that if commodity prices go sideways rents will advance slightly. If commodity price levels increase, rents should advance quite rapidly.

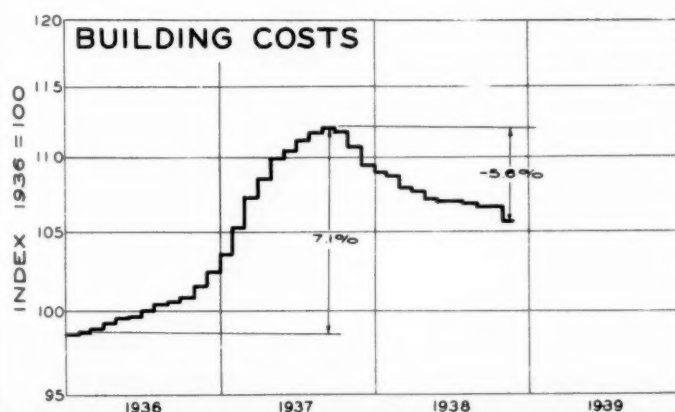
It will be noticed by looking at the chart on page 16 and also those on page 1126 of the December 27, 1938 REAL ESTATE ANALYST that there has been a wide divergence in cities in their rent experience. In Scranton, Pennsylvania, rents have run counter to the national average and are at a lower level than they have been at any time since 1935. On the other hand, in Birmingham they are running from 20% to 40% above the 1935 level.



when the constituent parts are as different as they are for rents, our guess would be that the national index which now stands at 109 will reach about 114 before 1939 is over. If industrial recovery is greater than we are anticipating, this forecast will be too pessimistic.

COMMERCIAL RENTS Some cities will probably see a slight rise in store rents in 1939, but in the greater percentage of cities, these rents will show no appreciable increase during the year. Office building rents in all but a very few cities in which office building vacancy is quite low will not show increases. The average office building vacancy in the United States is at present 18%. An 18% vacancy gives the tenant an advantage which makes it quite difficult to increase rents by any sizable percentage. By referring to page 1100 in the November 26, 1938 REAL ESTATE ANALYST, it will be possible from the charts which show the office building vacancy, city by city, to select those cities in which rent increases are possible, and those where rent increases are clearly out of the question.

URBAN TAXES The chart at the top of this page shows the trend of urban real estate taxes from 1909 to the present. It will be noticed that from 1909 to 1931 these taxes had increased 186%, but that since that time, we have had a drop of 26%. We do not expect any great change during 1939 in the tax situation. Some cities will get some further slight reduction, but in other cities taxes will rise by a very slight percentage. In the average community, we believe that the tax load must be lightened by an increase in rents during the next few years, as it probably will not be lightened by substantial reduction in the cost of government.



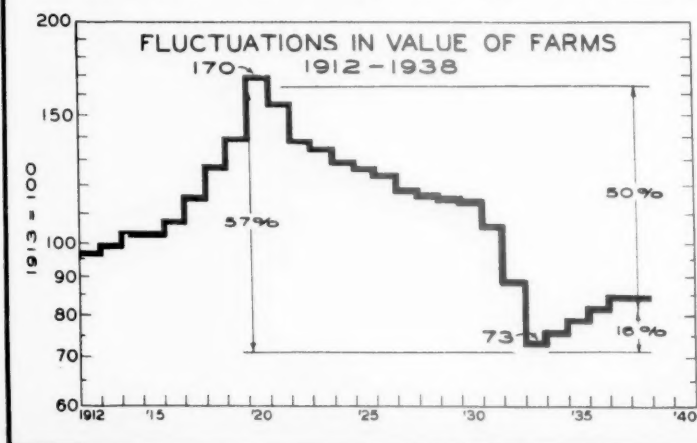
BUILDING COSTS In the average city, in our opinion, there will be relatively slight increases in building costs during the first six months of 1939. It seems reasonable to believe, however, that by the end of 1939, costs will again be advancing as they were during the early part of 1937 (See

chart on page 13). It will be extremely difficult to hold building costs down, as building volume increases. We think this applies to materials as well as to labor. This chart is based on the average of the construction cost of a standard six room frame house in 94 principal cities. It is a continuation of the chart on page 1054 in the REAL ESTATE ANALYST of September 23, 1938, where it is explained in detail. The red line on the building chart on the back page of this report shows the fluctuations of building material costs only.

VOLUME OF NEW BUILDING 1939 should be a relatively good year for building construction. In December, new construction reached the highest peak of the last ten years. It is naturally quite difficult to estimate the construction volume for 1939, but it seems to us as if residential building might increase by from 40% to 60% in comparison with 1938, commercial building by from 10% to 30%, factory building by from 25% to 45%, all other non-residential building by from 10% to 25%. Public works and utility building is quite difficult to estimate for 1939. It seems now, however, that it should exceed 1938 by a small percentage, with the chance, of course, that it may run considerably above last year. Our guess on total construction for 1939 is that it will run from 25% to 50% above the 1938 total. This forecast is, of course, dependent on the forecast of general business (a 10% increase) which we made earlier in this report. Should general business not show this improvement, our forecast will be too optimistic. On the other hand, should general business exceed our expectations, the upper limit of our range will probably be more nearly correct.

BUILDING STOCKS The listed common stocks of the building material manufacturers should show advances in 1939 in relation to the general industrial average, as new building will show larger gains than general business.

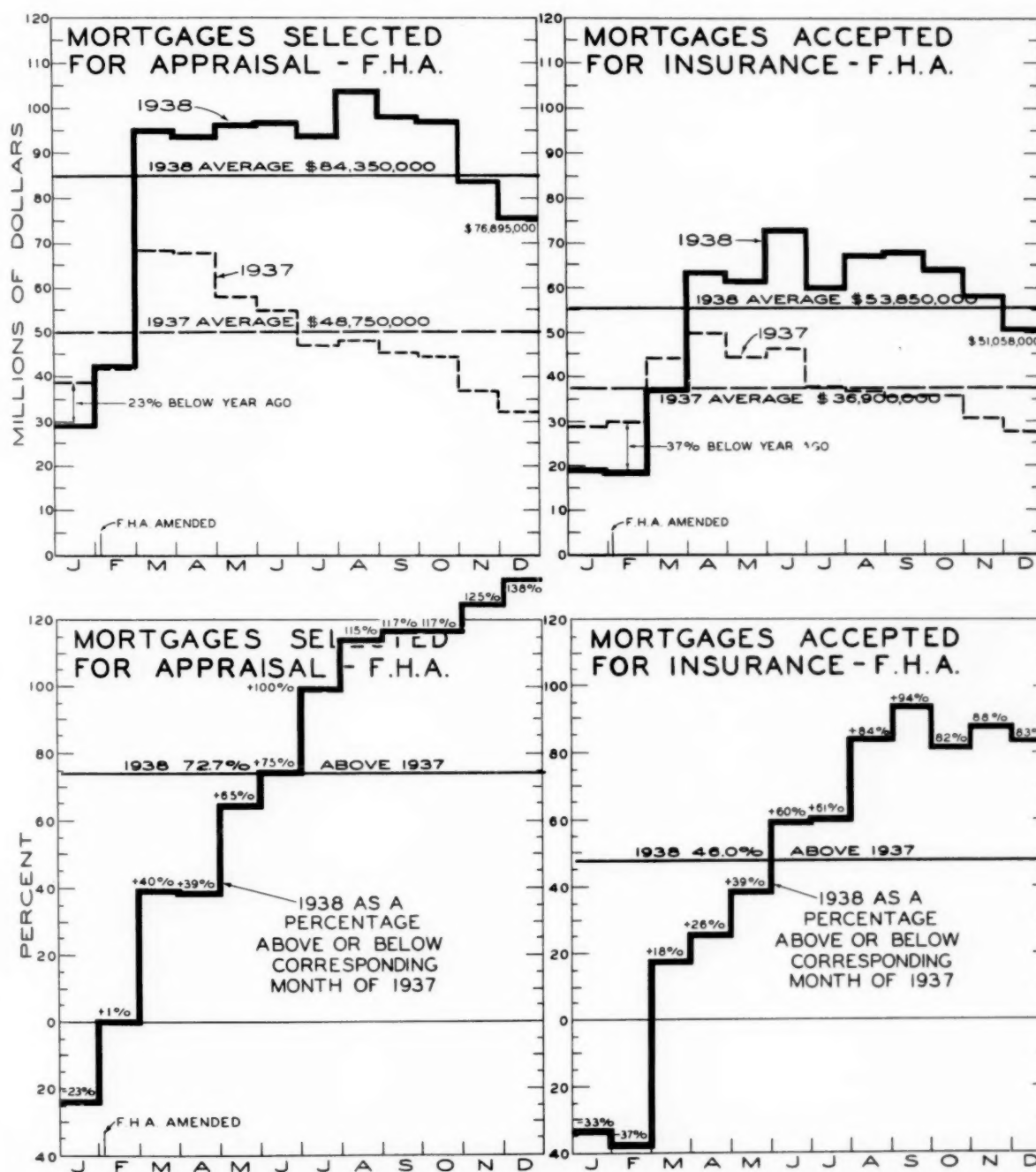
REAL ESTATE BONDS We believe that the continued recession in real estate bonds which was experienced for the year and a half prior to about May of 1938 is past, and we believe that the gradual recovery which started then will continue through 1939. Unless business recovery during this year is greater than we anticipate (10%) we think the probability is that the increase in values of real estate bonds will correspond more nearly to the increases during 1935 and 1936 (See the chart on page 21 in this report).



FARM VALUES The chart to the left shows the fluctuations in value of farms from 1912 to the present. It will be noticed that farm values today on the average in the United States are just 50% of their peak values of 1920. They are 16% above the low of 1933. The fluctuations in the values of farms per acre depends primarily on

the fluctuations in the farmer's net income. When this increases, he values his farm more highly; when it decreases, he is willing to sell for less. We are under the impression that 1939 farm values will show no improvement over the 1938 level, and may show a slight drop. By 1939 figures, we mean the figures for the spring of 1939, as all of the farm value figures are computed in the spring. We are far more optimistic for urban properties during the next few years than we are for farm properties, as we believe that the farm must still undergo a radical adjustment before supply and demand of farm products is balanced.

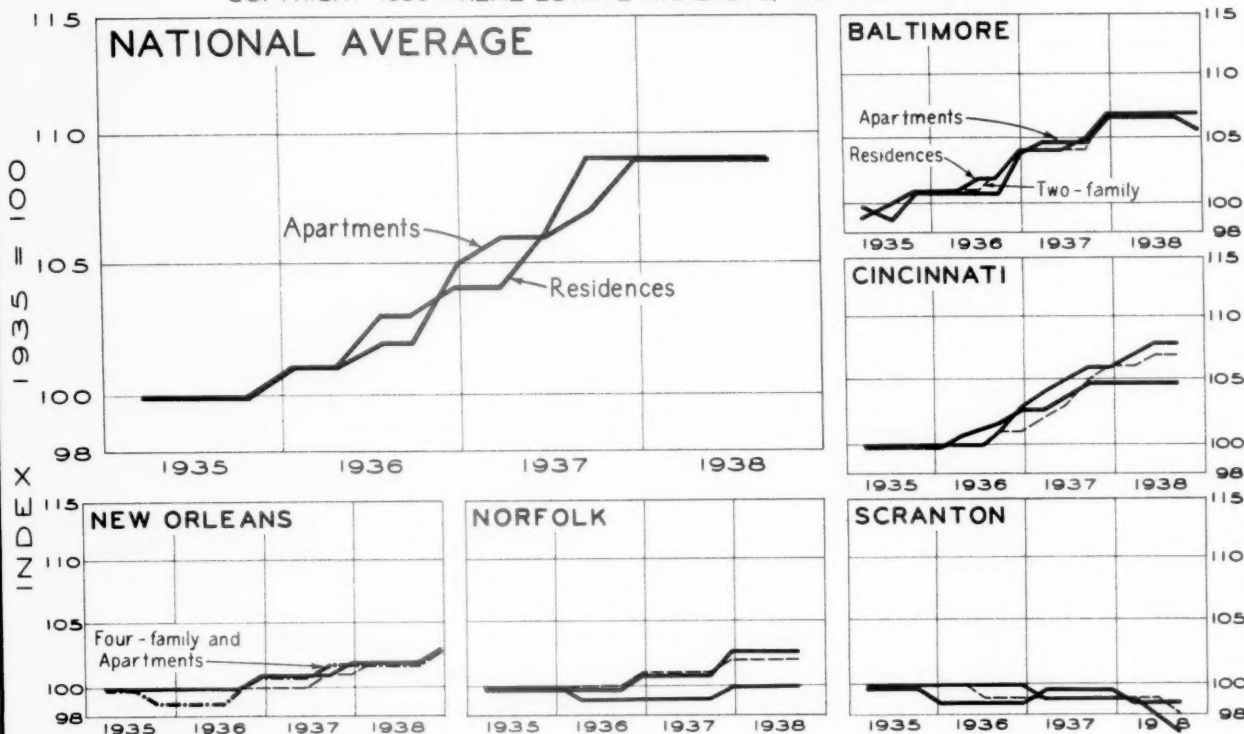
1938 F.H.A. LOANS COMPARED WITH 1937 INCLUDING ANNUAL AVERAGES



RESIDENTIAL RENTS

BUREAU OF LABOR
STATISTICS INDEX

COPYRIGHT 1939 ~ REAL ESTATE ANALYSTS, INC ~ SAINT LOUIS



RESIDENTIAL RENTS

	1935	1936	1937	1938		1935	1936	1937	1938
National average (Excluded)	100	100	100	100	National average (Included)	100	100	100	100
Baltimore	100	100	100	100	Baltimore	100	100	100	100
Cincinnati	100	100	100	100	Cincinnati	100	100	100	100
New Orleans	100	100	100	100	New Orleans	100	100	100	100
Norfolk	100	100	100	100	Norfolk	100	100	100	100
Scranton	100	100	100	100	Scranton	100	100	100	100

THE chart and table above show the rental fluctuations in five cities not charted before in our reports, from the index numbers prepared by the Bureau of Labor Statistics. These figures and charts are comparable to the 24 cities shown on pages 1126 and 1127 in the December 27, 1938 REAL ESTATE ANALYST. The inclusion of these cities brings this index at the present time to 29 cities. It will be expanded to 32 cities by the inclusion later of Portland, Maine, San Francisco and Oakland, California and Savannah, Georgia. These cities were selected by the Bureau of Labor Statistics as representative cities of their type and area.

Each time an additional city is included in their index, we recompute the national index with the additional cities included. For this reason, it will be noticed that the national average shown on this page differs slightly from the national average of rents shown on page 1126.

This index should not be confused with the Bureau of Labor Statistics index of rents which attempts to measure primarily the rent fluctuations in housing occupied by the lower income group.

A FURTHER STUDY OF CLASSIFIED ADVERTISING ADVERTISING AS A REAL ESTATE INDEX

On page 1124 of the December 27, 1938 REAL ESTATE ANALYST, we showed a study of the classified "for rent" advertisements which appeared in all St. Louis newspapers by months from 1921 to November, 1938 in comparison with the chart of real estate activity in St. Louis.

We found in that study that if the flats and apartments advertisements running at any one time were charted against the real estate activity line of four years before, that we had two lines which were in rather close agreement in their rises and falls. From this we reached the opinion that real estate activity might be used to forecast the number of "for rent" advertisements which would run several years in the future, but that classified "for rent" advertisements have no value either in measuring current real estate activity or in forecasting future activity.

In the chart below, we show the number of "for sale" advertisements which have appeared in the classified columns of all of the St. Louis newspapers from 1915 through December of 1938 in comparison with real estate activity (sales) in St. Louis over the same period. Here the correlation is quite close even on some of the minor movements. There has been over the entire period a slight decrease in the number of "for sale" advertisements in relation to sales. This is probably due to the fact that in the initial period there were four St. Louis newspapers. In the later period, two of these newspapers had merged.

The very close agreement between these two lines has suggested to us the possibility that in some cities where reliable figures are not obtainable on real estate sales a compilation of the number of "for sale" advertisements appearing in all newspapers might be substituted. We are investigating this at the present time, as clearly, in a number of cities the transfer figures are unsatisfactory. This is true quite frequently in cities where a large proportion of the sales are made on contract, and do not appear in the records until a period of years later.



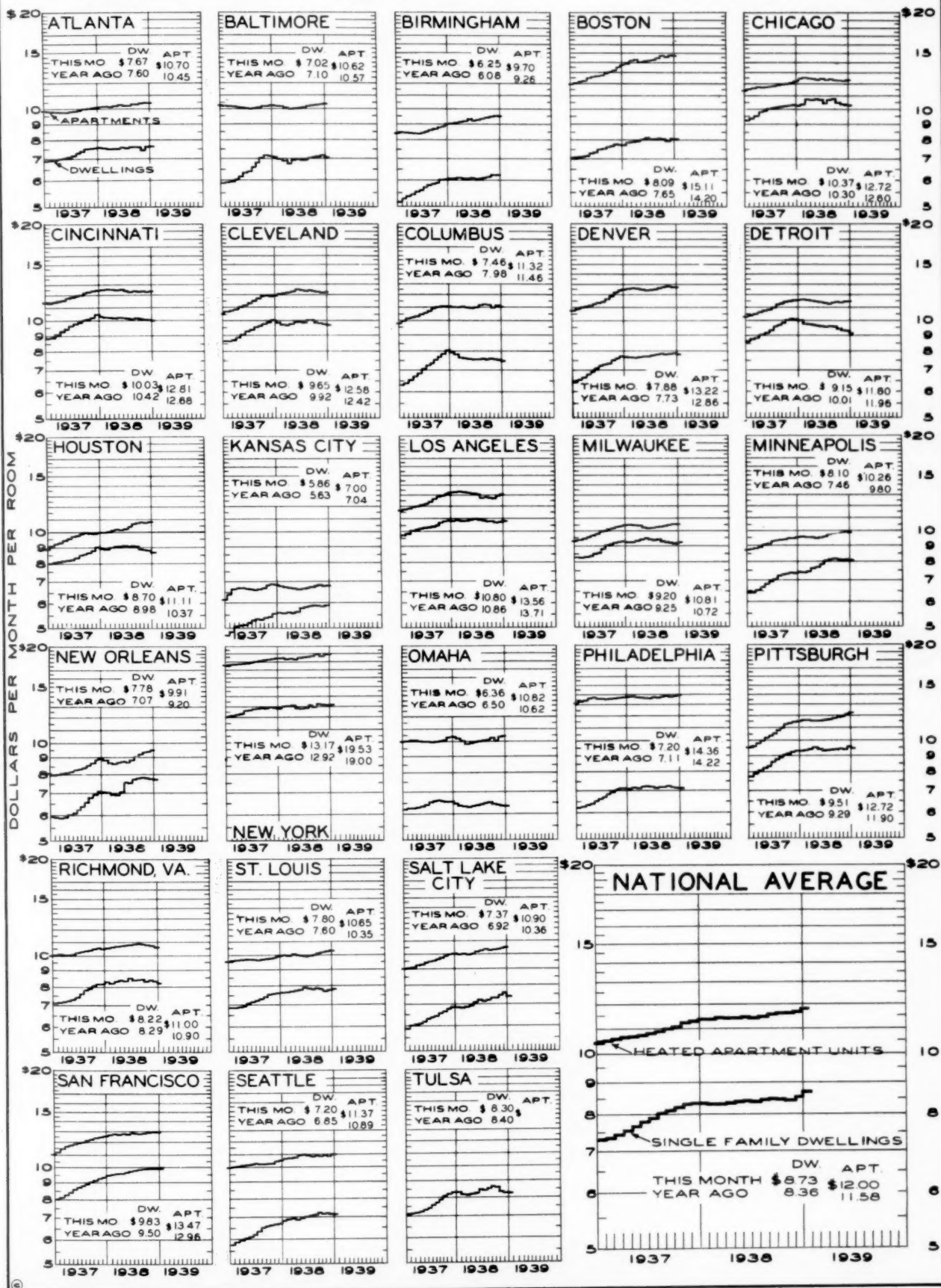
THE REAL ESTATE ANALYST INDEX OF RESIDENTIAL RENTS

THE table below shows the residential rent figures charted by months on the page opposite. This is the revised index of residential rents which appeared in the Real Estate Analyst for the first time in the February issue. All rents are expressed in dollars per month per room. This makes possible a comparison of

rent levels between different cities, and in the same city between heated and unheated units. The twenty-six cities selected are typical cities scattered from coast to coast. The method of computing this index is described on page 889 in the February, 1938, Real Estate Analyst.

		1937												1938			
		Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
National Index		\$8.23	\$8.33	\$8.36	\$8.36	\$8.35	\$8.35	\$8.37	\$8.42	\$8.47	\$8.45	\$8.50	\$8.52	\$8.50	\$8.46	\$8.58	\$8.73
Atlanta		7.52	7.56	7.58	7.60	7.56	7.53	7.53	7.53	7.63	7.55	7.64	7.64	7.64	7.49	7.66	7.67
Baltimore		7.02	7.18	7.15	7.10	6.98	6.90	6.77	6.97	6.98	6.96	6.96	7.03	7.05	7.06	7.14	7.02
Birmingham		5.93	6.02	6.07	6.08	6.08	6.14	6.09	6.09	6.11	6.06	6.08	6.10	6.15	6.25	6.25	6.25
Boston		7.67	7.70	7.68	7.65	7.91	7.93	7.95	8.03	8.18	8.08	8.08	8.20	8.09	7.93	8.08	8.09
Chicago		10.30	10.32	10.35	10.30	10.43	10.69	10.67	10.69	10.67	10.48	10.72	10.73	10.56	10.42	10.38	10.37
SINGLE FAMILY DWELLINGS	Cincinnati	10.18	10.34	10.51	10.42	10.34	10.29	10.27	10.33	10.28	10.25	10.22	10.28	10.22	10.14	10.10	10.03
	Cleveland	9.80	9.94	10.01	9.92	9.74	9.72	9.86	9.97	9.97	9.95	10.02	10.02	9.90	9.83	9.70	9.65
	Columbus	7.73	7.91	8.03	7.98	7.85	7.71	7.70	7.69	7.64	7.64	7.69	7.65	7.66	7.58	7.52	7.46
	Denver	7.54	7.65	7.75	7.73	7.69	7.70	7.71	7.75	7.75	7.80	7.85	7.87	7.86	7.87	7.90	7.88
	Detroit	10.02	10.15	10.12	10.01	9.85	9.75	9.72	9.61	9.58	9.52	9.57	9.53	9.45	9.32	9.30	9.15
	Houston	8.69	8.86	9.04	8.98	8.96	9.03	9.06	9.06	9.11	9.08	9.11	9.08	8.95	8.87	8.86	8.70
	Kansas City	5.40	5.48	5.60	5.63	5.60	5.62	5.61	5.63	5.80	5.81	5.85	5.90	5.88	5.86	5.90	5.86
	Los Angeles	10.70	10.81	10.88	10.86	10.89	10.87	10.87	10.94	11.00	10.92	10.87	10.80	10.80	10.72	10.73	10.80
	Milwaukee	9.22	9.26	9.27	9.25	9.26	9.31	9.41	9.50	9.42	9.38	9.41	9.33	9.28	9.22	9.16	9.20
	Minneapolis	7.37	7.40	7.39	7.46	7.41	7.47	7.64	7.70	7.86	8.04	8.13	8.14	8.11	8.07	8.10	8.10
	New Orleans	6.82	6.98	7.13	7.07	7.04	6.98	6.92	7.04	7.57	7.55	7.78	7.85	7.90	7.87	7.84	7.78
	New York	12.98	13.00	12.99	12.92	13.01	13.02	13.05	12.97	12.87	12.98	13.15	13.00	13.33	13.23	13.19	13.17
	Omaha	6.62	6.58	6.58	6.50	6.42	6.40	6.36	6.42	6.47	6.48	6.50	6.53	6.47	6.41	6.36	6.36
	Philadelphia	7.05	7.13	7.13	7.11	7.14	7.12	7.22	7.24	7.22	7.14	7.22	7.22	7.28	7.24	7.22	7.20
	Pittsburgh	9.14	9.25	9.29	9.29	9.33	9.45	9.51	9.48	9.36	9.37	9.40	9.44	9.48	9.46	9.58	9.51
	Richmond	8.09	8.15	8.15	8.29	8.25	8.30	8.39	8.30	8.50	8.37	8.40	8.41	8.36	8.40	8.33	8.22
	Saint Louis	7.53	7.58	7.59	7.60	7.64	7.70	7.73	7.81	7.92	7.91	7.86	7.90	7.86	7.76	7.78	7.80
	Salt Lake City	6.70	6.82	6.92	6.92	6.91	6.92	6.99	7.09	7.28	7.19	7.27	7.30	7.30	7.47	7.58	7.37
	San Francisco	9.17	9.31	9.41	9.50	9.52	9.55	9.55	9.59	9.71	9.73	9.77	9.80	9.80	9.80	9.80	9.83
	Seattle	6.66	6.70	6.72	6.85	6.94	6.95	6.90	6.99	7.01	7.06	7.12	7.25	7.22	7.24	7.22	7.20
	Tulsa	8.12	8.25	8.37	8.40	8.24	8.23	8.27	8.34	8.50	8.44	8.53	8.69	8.65	8.40	8.32	8.30
National Index		11.28	11.40	11.49	11.58	11.58	11.67	11.63	11.63	11.65	11.64	11.67	11.80	11.82	11.82	11.88	12.00
HEATED APARTMENT UNITS	Atlanta	10.30	10.37	10.40	10.45	10.52	10.53	10.50	10.53	10.60	10.52	10.57	10.62	10.60	10.65	10.68	10.70
	Baltimore	10.47	10.52	10.52	10.57	10.52	10.51	10.43	10.37	10.38	10.40	10.43	10.53	10.55	10.60	10.62	10.62
	Birmingham	8.92	9.03	9.14	9.26	9.33	9.35	9.41	9.42	9.55	9.48	9.51	9.58	9.65	9.68	9.70	9.70
	Boston	13.50	13.65	13.91	14.20	14.35	14.52	14.62	14.49	14.53	14.55	14.62	14.81	15.07	14.99	15.15	15.11
	Chicago	12.38	12.43	12.46	12.60	12.81	12.90	12.83	12.82	12.71	12.82	12.77	12.78	12.71	12.71	12.61	12.72
	Cincinnati	12.52	12.60	12.67	12.68	12.73	12.82	12.81	12.80	12.85	12.77	12.74	12.83	12.73	12.75	12.71	12.81
	Cleveland	12.25	12.33	12.30	12.42	12.50	12.54	12.62	12.73	12.95	12.80	12.78	12.82	12.73	12.66	12.51	12.58
	Columbus	11.41	11.46	11.46	11.46	11.45	11.45	11.48	11.44	11.42	11.48	11.58	11.61	11.51	11.35	11.50	11.32
	Denver	12.25	12.58	12.83	12.86	12.89	12.90	12.93	12.80	12.78	12.82	12.88	13.10	13.20	13.23	13.21	13.22
	Detroit	11.76	11.85	11.91	11.96	12.00	11.98	11.89	11.85	11.75	11.69	11.57	11.75	11.78	11.75	11.77	11.80
	Houston	10.30	10.29	10.27	10.37	10.37	10.48	10.55	10.58	10.50	10.58	10.70	11.00	11.03	11.15	11.09	11.11
	Kansas City	6.95	7.03	7.09	7.04	6.98	6.97	6.93	6.91	6.80	6.87	6.90	6.95	7.00	7.04	6.99	7.00
	Los Angeles	13.24	13.42	13.59	13.71	13.77	13.80	13.70	13.63	13.56	13.48	13.33	13.38	13.27	13.24	13.40	13.56
	Milwaukee	10.59	10.65	10.70	10.72	10.77	10.72	10.71	10.62	10.53	10.54	10.58	10.65	10.70	10.72	10.80	10.81
	Minneapolis	9.65	9.68	9.68	9.80	9.84	9.82	9.82	9.75	9.80	9.92	10.01	10.14	10.19	10.20	10.29	10.26
	New Orleans	8.80	8.96	9.15	9.20	9.08	8.88	8.78	8.94	9.00	8.95	9.16	9.40	9.51	9.64	9.65	9.91
	New York	18.83	18.95	18.98	19.00	19.00	18.87	18.91	18.87	19.02	19.10	19.20	19.40	19.53	19.25	19.57	19.53
	Omaha	10.40	10.48	10.61	10.62	10.52	10.38	10.19	10.27	10.33	10.40	10.46	10.49	10.62	10.41	10.77	10.82
	Philadelphia	14.10	14.14	14.18	14.22	14.27	14.25	14.22	14.10	14.05	14.20	14.16	14.23	14.25	14.20	14.27	14.36
	Pittsburgh	11.60	11.76	11.88	11.90	11.98	11.98	11.93	11.93	11.94	12.00	12.05	12.20	12.28	12.39	12.50	12.72
	Richmond	10.75	10.88	10.92	10.90	10.97	10.98	11.00	11.03	11.08	11.11	11.18	11.20	11.17	11.15	11.03	11.00
	Saint Louis	10.08	10.13	10.24	10.35	10.41	10.40	10.48	10.43	10.34	10.30	10.32	10.41	10.49	10.52	10.60	10.65
	Salt Lake City	10.12	10.24	10.35	10.36	10.33	10.38	10.31	10.43	10.50	10.59	10.69	10.67	10.68	10.69	10.81	10.90
	San Francisco	12.68	12.80	12.89	12.96	13.02	13.13	13.03	13.19	13.14	13.32	13.30	13.27	13.30	13.41	13.42	13.47
	Seattle	10.61	10.61	10.81	10.89	11.00	11.02	11.10	11.37	11.38	11.28	11.27	11.32	11.27	11.28	11.27	11.37

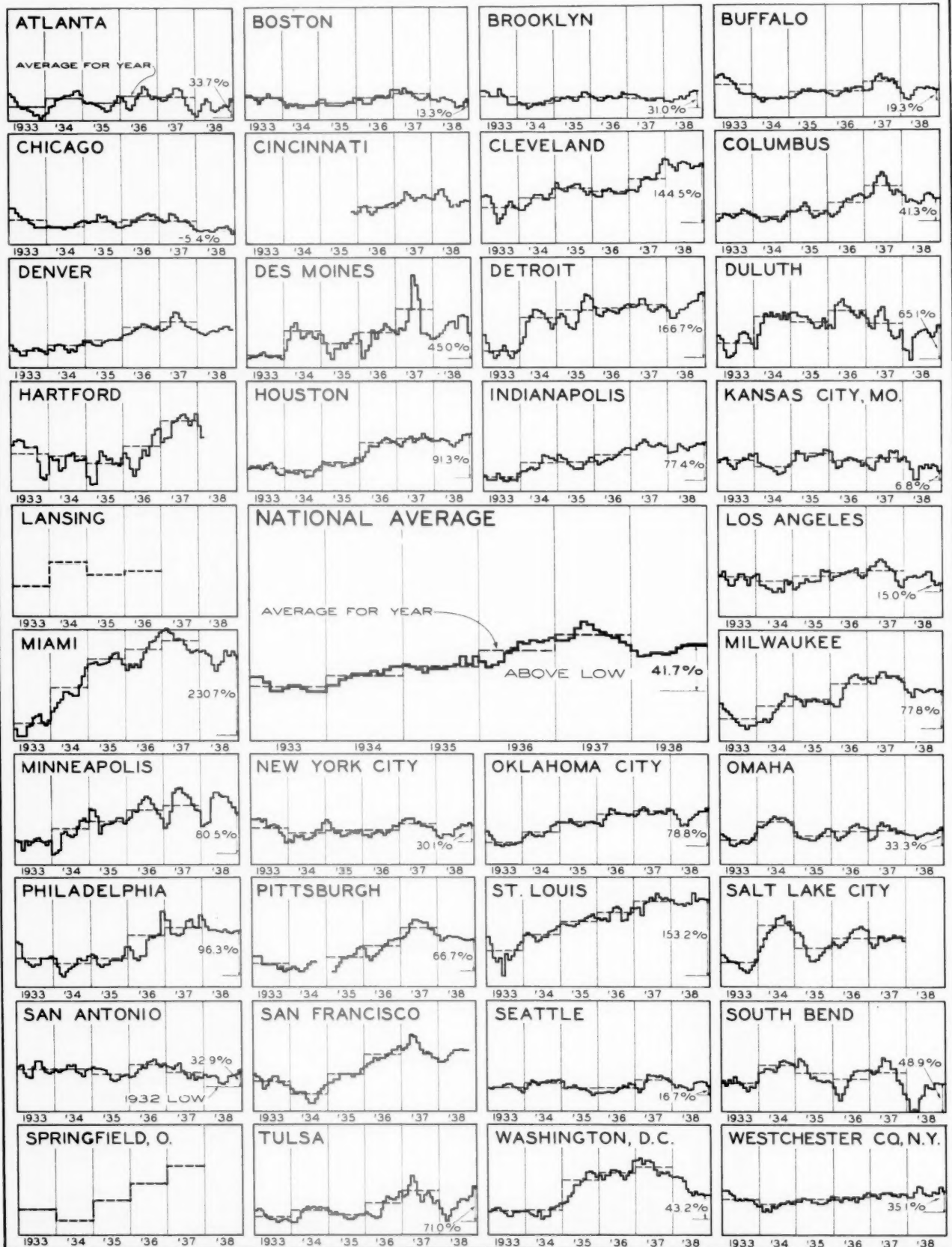
RESIDENTIAL RENTS IN TYPICAL CITIES

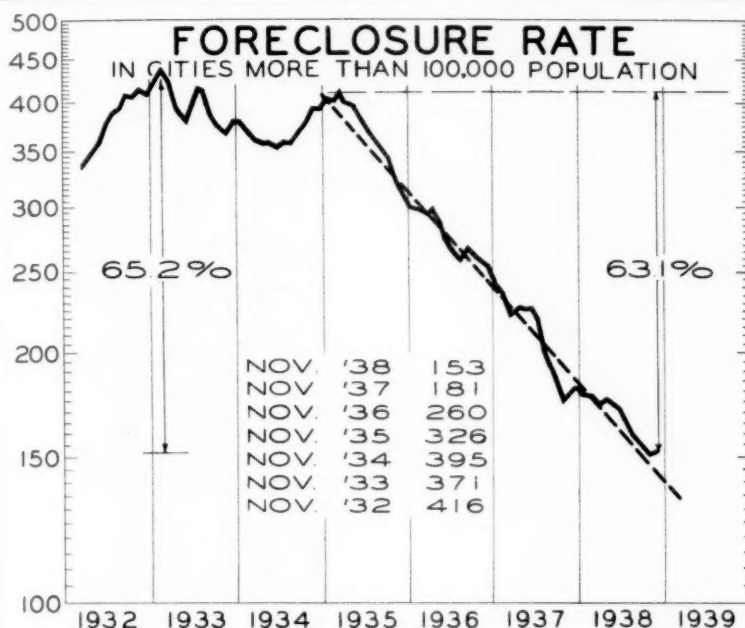


REAL ESTATE TRANSFERS IN PRINCIPAL CITIES

1933 TO 1938

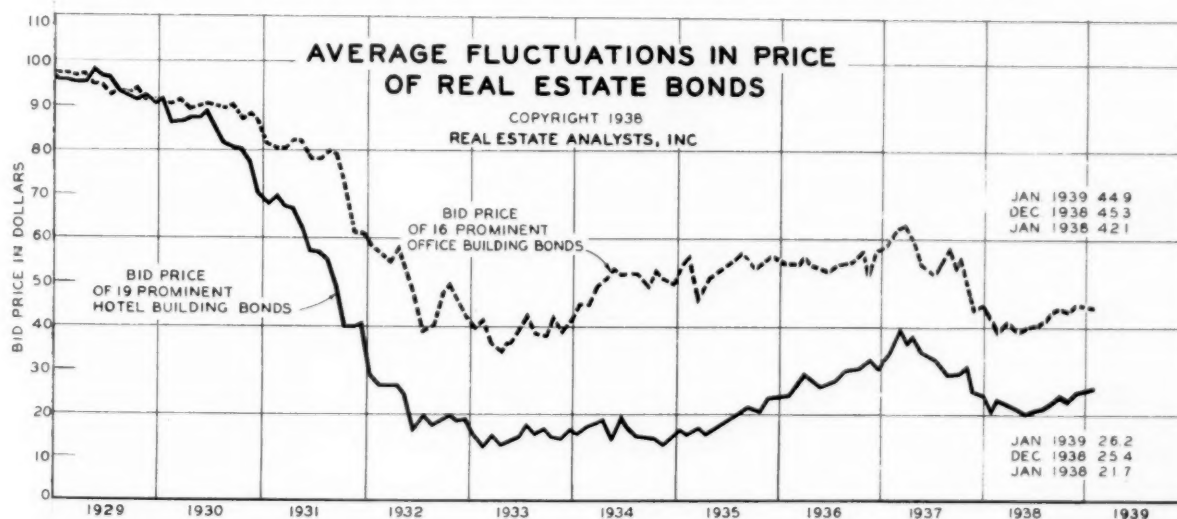
COPYRIGHT 1939 REAL ESTATE ANALYSTS INC. SAINT LOUIS





THE chart to the left shows the monthly fluctuations in the foreclosure rate in cities having more than 100,000 population. This chart is corrected for seasonal fluctuations, and is based on the compilations made by the HOLC. The dashed line in red shows the trend at which foreclosures have been dropping during the past four years. The figure for November which is the last figure available shows a very slight rise, insufficient, however, to be significant.

There have been numerous times during the past four years where the trend has been reversed for a few months time, but in each case within a short period, the downward movement has been continued.



THE chart above shows the average fluctuations in the bid prices of office and hotel building bonds. It will be noticed that after dropping for a period of a year and a half, these bonds during the past seven or eight months have shown a gradual upward movement. The buildings used are only those on which quotations can be secured monthly. The office building list includes the following: Broadway Motors, Bryant Park, Bush Terminal, Carbide and Carbon, Chesebrough, Chrysler, Cleveland Terminal, Equitable (N. Y.), Graybar, Grant, Liggett, One LaSalle Street, Postum, Textile, Wanamaker (Phila.), Woodbridge. The hotel list includes the following: Bowman-Biltmore, Eastern Ambassador Hotel, Eppley Hotels, George Washington Hotels, Hotel Lexington, Hotel Sherman, Hotel St. George, LaSalle Hotel, Lord Baltimore, National Hotel of Cuba, Palace Hotel (San Francisco), Park Central Hotel, Pitts Hotel, Savoy-Plaza, Sevilla-Biltmore, Sherry-Netherland, Stevens Hotel, Waldorf-Astoria.